(c) whether flights of Indian have been cancelled to reduce the losses; and

(d) if so, the details of flights cancelled and timing thereof and the amount of money saved as a result of cancellation of flights?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) No, Sir. In fact, Indian Airlines has earned net profit of Rs. 44.17 crores in 2003-04, Rs. 65.61 crores in 2004-05 and Rs. 49.50 crores in 2005-06.

(c) No, Sir.

(d) Does not arise.

Price rise of essential commodities

*208. DR. (SHRIMATI) NAJMAA. HEPTULLA: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry have gone into the causes for the recent rise in prices of goods for common man's consumption in the country;

(b) if so. the details in this regard including the quantum of price rise and Government's assessment of the situation;

(c) the immediate remedial steps taken/contemplated by Government; and

(d) the outcome thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Sir, the increase in prices of certain commodities that is being experienced is due to factor like hardening of international prices and mismatch in demand and supply.

(b) The WPI based average of inflation rate for the last six months are as per the Table below

Table: Monthly average of WPI based inflation (%)

Month-Year	All Commodities	Essential Commodities
September, 2006	5.38	7.24
October, 2006	5.51 .	7.66
November, 2006	5.50	6.63
December, 2006	5.68	6.42
January, 2007 (provisional)	6.21	5.34
February, 2007 (provisional)	6.42	4.44

(c) In order to contain inflation, the recent steps taken by Government include:

- Reduction in retail prices of petrol by Rs. 2 per litre and diesel by Re. 1 per litre in November, 2006 and again in February, 2007.
- State Trading Corporation contracting for import of 55 lakh tonnes of wheat to supplement domestic availability, of which 49.4 lakh tonnes had arrived by February 13, 2007.
- As against normal applicable duty of 50 per cent, allowing private trade to import wheat at 5 per cent duty from June 28, 2006, and at zero duty from September 9, 2006.
- Decision to release up to 4 lakh tonnes of wheat under Open Market Sale Scheme in February and March, 2007.
- Ban on export of wheat from February 9, 2007.
- Reduction of customs duty on import of pulses to zero on June 8, 2006.
- Ban on export of pulses with effect from June 22, 2006.
- NAFED importing 49,300 tonnes of pulses. Under a new contract executed by NAFED in December, 2006 to import 30,000 tonnes of pulses, 10,675 tonnes had been shipped by February 13, 2007.
- To contain volatility in the futures prices of wheat, sugar and pulses, Forward Markets Commission (FMC) has imposed limits on open position, reduced limits on daily fluctuations and imposed additional/ special margins.

- Ban on futures trading in tur and urad from January 24,2007, wheat and rice from February 28,2007.
- Reduction in import duty on palm group of oils by 10 percentage points in August, 2006 and by a further 10-12.5 percentage points in January, 2007. Maintaining tariff value for assessing import duty unchanged at July, 2006 level.
- In the Budget 2007-08, crude as well as refined edible oils have been exempted from additional countervailing duty of 4 per cent. Duty on sunflower oil, both crude and refined, has been reduced by 15 per cent.
- Ban on export of skimmed milk powder.
- Steps by Reserve Bank of India to reduce liquidity in the system by increasing the cash reserve ratio and repo rates, and stepping up the Market Stabilisation Scheme.

(d) It is expected that with the measures undertaken by Government the inflation rate will come down in the near future.

Institutional credit facility to farmers

*209. SHRIMATI BRINDA KARAT: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry has any plan to expand institutional credit facility to farmers, small and medium agriculturists in particular;

(b) what is the break-up of the credit given to farmers with below 5 acres of irrigated land and to those with 10 acres of dry land;

(c) whether his Ministry has been considering to reduce the rate of interest on loan made available to farmers; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) A Farm Credit Package was announced on June 18,2004 for doubling the flow of credit to agriculture by the formal Institutional Credit Structure. The target of doubling of agriculture credit was achieved within two years itself. The target of agriculture credit and achievement against it from 2003-04 to